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TN REGULATORY AUTHORITY
ROCKET ROOM

February 4, 2003

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Chairman Sara Kyle
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

RE: *Docket No. 02-00438; Complaint of Aeneas against Citizens
Sprint Prefiled Direct Testimony*

Dear Chairman Kyle:

Enclosed for filing in the above case are the original and thirteen copies of the prefiled testimony of James Michael Maples on behalf of United Telephone-Southeast, Inc. and Sprint Communications Company L.P. A copy of the testimony is being served on counsel of record.

Please contact me if you have any questions.

Sincerely,


James B. Wright

Enclosures

cc: Jon Wike (w/encl)
Counsel of Record (w/encl)
Laura Sykora
Kaye Odum

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SARA KYLE, COMMISSIONER
TN PUBLIC SERVICE COMM.

CERTIFICATE OF SERVICE
Aeneas Complaint (Docket No. 02-00438)

The undersigned certifies that a copy of the prefiled direct testimony on behalf of Sprint was served upon the following parties of record by hand-delivery, by fax or by placing a copy of the same in the United States Mail postage prepaid and addressed as follows:

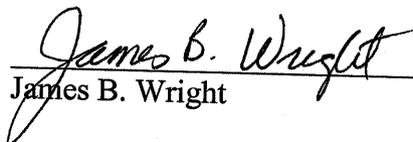
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Dated: February 4, 2003



James B. Wright

**UNITED TELEPHONE-SOUTHEAST, INC.
AND SPRINT COMMUNICATIONS COMPANY L.P.**

**DIRECT TESTIMONY
OF
JAMES MICHAEL MAPLES**

BEFORE THE TENNESSEE REGULATORY AUTHORITY

Docket No. 02-00438

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Q. Please state your name and address.

A. My name is James Michael Maples. My business address is 6450 Sprint Parkway, Overland Park, Kansas 66251.

Q. By whom are you employed and in what capacity?

A. I am presently employed as Senior Manager - Regulatory Policy for Sprint Corporation.

Q. Please provide your educational and work background.

A. I received a Bachelor of Science degree from East Texas State University, Commerce, Texas, in December 1973 with majors in mathematics and industrial technology. During that period, beginning in 1968, I was also employed by Sprint/United Telephone Texas as an installer/repairman of residential, simple and complex business systems and as a central office switchman. I completed the company's Management Training program in 1974 and was promoted to the position of Revenue Requirement Analyst later that same year.

1 For the next seventeen (17) years I held positions of increasing responsibilities in state,
2 regional and corporate Sprint organizations. During that period, I prepared or was
3 responsible for jurisdictional separation studies, revenue budgets, demand forecasts, access
4 charge rates, and financial reporting to various regulatory agencies.

5
6 From 1991 through 1995, as Manager Cost Allocations at Sprint/United Management
7 Corporation, I developed financial models for alternative regulation, participated in a two-
8 year project to develop a system wide product costing model, developed and trained
9 personnel on revenue budget models and standardized systems for separations costing
10 through system design, development, testing and implementation.

11
12 In 1995 I accepted the position of Manager-Pricing/Costing Strategy and for seventeen (17)
13 months coordinated several system-wide teams that were charged with the identification and
14 development of methods, procedures and system changes required to implement local
15 competitive services. During that period, I coordinated the technical support needed to
16 establish and maintain relationships with new Competitive Local Exchange Carriers
17 ("CLECs").

18
19 From September 1996 through July 1999 I held the position of manager of Competitive
20 Markets – Local Access with the responsibility for pricing unbundled network elements,
21 supporting negotiations with new competitive carriers and assisting in implementation
22 issues.

1 I began my current position in August 1999. My responsibilities include the review of
2 legislation, court rulings and state commission orders affecting telecommunications policy,
3 interpreting the impact to the corporation, developing positions and communicating them
4 throughout the organization. My primary areas of responsibility are interconnection and
5 unbundled elements.

6
7 **Q. Who are you representing in this proceeding?**

8 **A.** I am representing United Telephone-Southeast, Inc., and Sprint Communications Company
9 L.P. (Sprint).

10
11 **Q. Please explain Sprint's reasons for intervening in this docket?**

12
13 **A.** It appears that the controversy pertains to issues concerning indirect versus direct
14 interconnections between carriers and transit service provided at tandem and end office
15 switches. The Tennessee Regulatory Authority could issue a precedent setting decision
16 regarding these issues that will affect Sprint's diverse business interests in Tennessee.
17 Thus, Sprint has chosen to intervene in this proceeding in order to provide its position on
18 these important issues.

19
20 **Q. Please explain Sprint's business interests in Tennessee?**

21
22 **A.** United Telephone-Southeast, Inc. is an incumbent local exchange carrier (ILEC) serving
23 over 250,000 access lines in Tennessee. Sprint Communications Company L.P. is an
24 interexchange carrier (IXC) and a competitive local exchange carrier (CLEC) currently

1 serving long-distance/local toll and ISP customers in Tennessee. Sprint is also a nationwide
2 provider of wireless telephone service.

3
4 **Q. What is indirect interconnection?**

5
6 **A.** An indirect interconnection occurs when two carriers are interconnected via a third carrier's
7 facilities, which is generally an ILEC's network. Both carriers' are physically
8 interconnected with the ILEC's network and exchange traffic with each other through the
9 ILEC's network.

10
11 **Q. What is transit service?**

12
13 **A.** Transit service is a service that provides transport of traffic between third party carriers that
14 are indirectly interconnected. This service is generally provided at an ILEC's tandem
15 switch. On a tandem transit call, neither the originating end user nor the terminating end
16 user is a customer of the ILEC. Transit service promotes call flow among carriers until such
17 time the traffic reaches a material volume and justifies a direct connection.

18
19 **Q. Why do carriers interconnect indirectly versus establish direct connection?**

20
21 **A.** It is common among the industry today for carriers to indirectly interconnect when volumes
22 of traffic do not economically justify a direct connection. Establishing direct connections
23 with each carrier in a LATA results in wasteful duplication of network facilities when
24 volumes of traffic are minimal. It is much more efficient and economically practical to
25 route traffic through the ILEC tandem than to establish direct trunks with every third party
26 ILEC, CLEC or CMRS provider. Furthermore, when volumes of traffic are small, there is

1 very little incremental burden imposed on the tandem and carriers are willing to compensate
2 the tandem provider for this small amount of incremental traffic.
3

4 **Q. Does Sprint support transit service and indirect interconnection?**

5
6 **A.** Yes. Sprint firmly believes that indirect interconnection is the most efficient form of
7 interconnection for carriers that exchange only minimal amounts of traffic. A carrier's
8 ability to exchange traffic indirectly via a transit provider is critical in promoting
9 competitive entry. There will be less competition if carriers are forced to establish direct
10 connections when there are only minimal volumes of traffic being exchanged. This is
11 particularly true in rural markets that simply do not generate large volumes of traffic.
12 Carriers may choose to only offer service in the densely populated urban markets that are
13 served by the tandem providers with whom they are directly interconnected and not the
14 smaller markets served by carriers that are also interconnected at those tandems. By not
15 allowing for transit service and creating this uneconomic network environment, competitive
16 service providers may make the decision not to provide services in rural or low-volume
17 markets throughout Tennessee.
18
19

20 **Q. Do carriers have a legal obligation to transit third party traffic?**

21
22 **A.** Yes. Section 251(c)(2)(A) of the Act requires ILECs to permit carriers to interconnect with
23 its network "for the transmission and routing of telephone exchange service and exchange
24 access." This language does not limit the ILEC obligation to interconnect only for traffic
25 exchanged between the ILEC and the requesting carrier. Moreover, it is apparent that

1 Congress anticipated there would be transit service. Section 251(a)(1) imposes a duty on all
2 telecommunications carriers to interconnect directly or indirectly with the facilities and
3 equipment of other telecommunications carriers. Since carriers cannot accomplish indirect
4 interconnection without a tandem provider's transit service, to conclude that carriers do not
5 have a transit obligation would render this section of the Act meaningless.

6
7 According to Section 251(c)(2)(B), ILECs are also obligated to allow interconnection at any
8 technically feasible point for both telephone exchange ("local") and exchange access ("toll")
9 traffic. The rules implementing this provision of the Act identify the tandem as one of the
10 technically feasible points of interconnection within the incumbent's network.¹ By
11 definition, interconnection at a tandem switch provides access to all the end offices
12 subtending the tandem, including the end offices of third parties. Coupled with the
13 obligation to connect indirectly, it is clear that access to subtending end offices not owned
14 by the tandem provider was an integral part of the Act.

15
16 **Q. Has the FCC addressed indirect interconnection?**

17
18 **A.** Yes. The FCC has affirmed the need for indirect interconnection under the Act, stating that
19 indirect interconnection provides an economic alternative for carriers that do not have
20 market power.²

21

¹ 47 C.F.R. § 51.305(a)(2)(iii)

² See *In the Matter of Implementation of the Local Competition Provisions of the Telecommunications Act of 1996: Interconnection between Local Exchange Carriers and Commercial Mobile Radio Service Providers*: FCC No. 96-325,11 FCC Rcd 15499; 1996 FCC LEXIS 4312 at ¶ 997. (rel. Aug. 1, 1996)(the FCC's "Local Competition Order")

1 **Q. Does Sprint believe the tandem provider should be compensated for providing the**
2 **transit service?**

3
4 **A.** Yes. Standard industry practice is that the originating carrier compensates the tandem
5 providers for this tandem switching function. Sprint firmly believes that this transit function
6 should be compensated at TELRIC-based rates.

7
8 **Q. Please provide an example of when ILECs should not have a transit obligation?**

9
10 **A.** Sprint believes there are times when volumes of traffic exchanged between the indirectly
11 interconnected parties reaches a volume that warrants a direct connection. A DS1 is often
12 utilized by the industry as a guide for determining the volume at which the parties will
13 establish a direct connection and off-load the ILEC's tandem in order to avoid tandem
14 exhaust; however, this is typically negotiated with the tandem provider.

15
16 **Q. Are there other instances when a transit service may not be the appropriate manner to**
17 **route traffic?**

18
19 **A.** Yes. Carriers should only be required to provide transit service at the tandem switch
20 locations. End offices do not have the necessary software and equipment installed to
21 provide the tandem, trunk to trunk, functionality. It is therefore inappropriate to route a
22 carrier's traffic through an ILEC's end office to be terminated to a third party. Sprint does
23 not provide transit service via an end office but does offer it at its tandems.

24
25
26 **Q. Does Sprint believe indirectly interconnected carriers should negotiate indirect**
27 **interconnection agreements?**

28
29 **A.** Yes. As a tandem provider who provides transit service in multiple states, Sprint believes
30 that the originating carrier and the terminating carrier delivering traffic via Sprint's tandem

1 should establish an indirect agreement to address intercarrier compensation issues. Sprint is
2 aware of the fact that many ILECs are concerned with providing the transit service because
3 they do not want to be forced into the role of an intermediary for billing purposes. Sprint, as
4 well as most major ILECs, addresses this issue within the scope of their interconnection
5 agreements. Specifically, Sprint includes provisions within its contracts that make it quite
6 clear that Sprint is not liable to the terminating carrier for traffic it has not originated.
7

8 **Q. Does this conclude your testimony?**

9
10 **A. Yes, it does.**